

Report of the Public Treasurer.

TREASURY DEPARTMENT.
Raleigh, Nov. 12th, 1864.
To the General Assembly of North Carolina:
The demands on the Treasury, payable whenever presented, are as follows:

Coupons due and unpaid,	\$2,663,365 00
State bonds,	94,000 00
Due Banks and individuals on temporary loans,	508,428 00
Unpaid appropriations as follows:	
To counties for support of wives and families of soldiers,	682,086 72
To Commissary department,	245,496 62
To Ordnance department,	205,785 00
To Quartermaster's department,	265,865 00
To Surgeon General's department,	24,300 00
For sick and wounded soldiers,	185,000 00
For benefit of citizens of Washington,	30,000 00

The means in the Treasury, (independent of our Treasury notes,) consisting of Confederate Treasury notes, bonds and certificates is \$1,524,412 86

Deficit \$8,576,367 48

It will be seen from the foregoing that the deficiency to meet present demands on the Treasury, excluding State Treasury notes, the issue of which would increase the State debt is \$8,576,367 48.

Assuming that your legislation shall continue the State's operations on their present scale, the means to be provided, prior to the 1st of October next, when the State taxes are payable, will be

To meet above deficit, \$8,576,367 48

To meet ordinary civil expenses,

2,500,000 00

To pay counties for support of soldiers' families, if you make appropriations for this year as you did for last year,

2,000,000 00

Annual appropriation for relief of sick and wounded soldiers,

300,000 00

Estimates of Military Bureaus for 1865:

Paymaster's department,

\$2,006,905 00

Quartermaster's department,

493,600 00

Ordnance department,

100,000 00

Subsistence department,

1,010,000 00

Total \$11,962,872 48

To this must be added any other appropriations you may make.

It is probable that a large amount of the coupons due may not be presented for payment, but many more of them are likely to be presented this year than were last year, and it is not likely that Banks will ask for payment of the debts due them.

The State debt, on the 30th

Sept., 1864, as shown in

last annual report, was \$31,442,440 20

The State debt, Sept. 30th

1863, was, 26,226,434 90

Increase for last fiscal year, \$5,216,005 30

These views do not embrace the debts we owe in Europe on our cotton and rosin bonds, nor the large profits which we are said to have made by blockade running, as a value of which I am officially ignorant. You will doubtless receive full information as to that, from the proper sources.

In this amount of State debt, is included \$1,500,000 State bonds delivered to the Government to be sent to Europe, and sold, if necessary, as collateral security for the payment of our cotton bonds, which were sent to England but not used, as I learn from the Governor, the cotton bonds having been readily sold without this security.

In addition to this set off, the Commissioners of the Sinking Fund hold the bonds of the State to the amount of \$2,234,500; and Gov. Vance has filed in this office State bonds to the amount of \$130,000 received for the sale of a part of the steamship Ad-Vance.

These sets off, amounting to \$3,864,500 being deducted, leaves the balance of real State debt

\$27,577,940 20

The commissioners of the Sinking Fund hold Confederate 7 per cent. bonds to the amount of \$126,000

And the State hold on the following corporations, or stock in the same, as follows:

N. C. Railroad Company, 5,000,000

A. & N. C. R. R. Co. about 300,000

W. C. & R. R. R. Co., 2,000,000

Western R. R. Co., 600,000

P. & G. R. R. Co., 50,000

City of Raleigh, 48,000 \$6,134,000 00

Balance of State debt, allowing these sets off,

\$21,443,940 20

If all these sets off be deemed reliable, it will leave the balance of State debt \$21,443,940 20.

From the foregoing statements it is manifest that the expenses of the State must be greatly diminished in future: Or the taxes vastly increased; or the State debt enormously augmented.

I think the State debt ought not to be increased. The rapid increase of it has already injuriously affected the value of all State securities. The premium at which State bonds or Treasury notes can now be sold for Confederate currency, is greatly less than it was one year ago; and their marketable value will be impaired in the ratio of the increase of the State debt. A State bond for \$1000 running thirty years, will bring now about \$1850, in Confederate currency, worth in specie in which we promise to pay the bond, about \$74.00.

It must be a much more grievous necessity than I think now exists, to warrant an increase of the State debt at a sacrifice so ruinous, but if the State should throw on the market any considerable amount of our bonds, they would have to be sold at a still more ruinous rate.

I think our expenses may be vastly diminished, without detriment to the State or the Confederacy. One of the wisest ordinances of our State Convention was that of the 27th June 1861, turning over the State troops to the Confederacy, and repealing the act of the General Assembly establishing the Military Board. Subsequent legislation, partially reversing this policy, has led to the rapid and vast increase of the State debt. It has not yet reached an unmanageable amount, provided we return to the policy of the Convention.

The war making power belongs to the Confederacy. The grand source of revenue are duties on imports and exports. The Constitution gives to the Confederacy the exclusive right to levy these duties, and consequently

the ability to sustain the vast expenses of war. When a State keeps up a war establishment, the expenses must be paid by direct taxation. Besides, military operations are more efficient and less expensive when directed by one head and one government, than when under different commands, and supplied by competing Commissaries and Quartermasters. One military establishment therefore, excepting so much as may be deemed necessary for police purposes and the execution of the laws, ought to be turned over to the Confederacy; or, if disabled, and made subject to conscription, where the turning of them over would (not) violate any pledges of the State under which the troops entered into the service.

We have generally under aken the execution of the Confederate act of conscription, so far as arresting deserters is concerned. It seems to me that it is an anomalous proceeding for a State to assume the burden of executing an act of Congress, and that the expenses incurred ought to be paid out of the national Treasury.

I have been forced into this reference to the State military operations, a subject apparently foreign to my department, because I could not otherwise present the recommendations expected from me.

Whether you adopt this recommendation or not, the amount to be raised must be very large. I recommend that the amount required be raised by taxation; and if this course be adopted, unless your appropriations be very small, a collection should be made at as early a day as practicable.

If you adopt taxation as the means of supplying the Treasury, you will co-operate with the Confederate Government in the early plan, in my opinion, materially tending to sustain the currency.

It is possible that the pressing wants of this department may be relieved by the payment into the Treasury of some of the large profits said to have been realized from blockade running; or by and not of Congress, reimbursing to the State, a large amount expended by us in the early part of the war.

Under the act "to provide ways and means of supplying the Treasury," ratified Dec. 20, 1862, I appointed P. H. Winston, Esq., of Bertie, to collect the debt due the State from the Confederate Government. As soon as the vast number of bonds necessary to supply the claim could be put in order by the State Auditor, Mr. Winston proceeded with them to Richmond, and has since prosecuted the settlement with great zeal and industry, and with as little expense to the State as was consistent with the proper discharge of his duty.

Many difficulties have retarded the settlement of the claim in Richmond. Some time elapsed before the Secretary of the Treasury could assign to this duty the necessary official force; and the work has been repeatedly arrested, by the calling of the clerks to the field to repel attacks of the enemy. Within the past few days, the auditing of about \$2,100,000 of the claim has been completed. It is now before Congress for an appropriation to pay it. I have good reason to hope that it will be paid either in currency or bonds. The act of 1862, aforesaid, directs the Treasurer, out of the money collected on this claim, to pay off, by the 1st January, 1865, the State bonds bearing 8 per cent. interest, unless the holders of these bonds would exchange them for 6 per cent. bonds, payable on the 1st January 1865, and also to pay the debts due the Banks by way of temporary loans, with a like option to the Banks to take 6 per cent. bonds. Some \$600,000 of this claim, which could be paid under existing appropriations, was paid some months ago. A verified my readiness to pay the 8 per cent. bonds, or to make the exchange of bonds, provided for in said act. A few of the holders of the 8 per cent. bonds have exchanged them for the sixes, but none of the bond holders or the Banks have received payment in Confederate currency. The ground on which they refuse to receive payment is, that the State received from them currency much more valuable than that now offered in payment.

Another installment of our claim is now made ready by our State Auditor, to be submitted to the Confederate Auditor. As the principles on which he allows or rejects our claims are unsettled, and our accounts are put in their shape, than those of the early part of the war, it is presumed there will be little delay in settling these claims.

Should Congress act favorably on the amount now audited, it will relieve our Treasury materially, and diminish, to this extent, the means to be provided by you.

We get nothing for the bounty we pay our troops.

The total expenditures of the State on military appropriations, since the commencement of the war, as shown by the books of the Treasury, are \$21,923,406 73

Amount reimbursed 8,091,872 23

Excess 13,831,534 50

ASYLUM FOR THE INSANE.

By the act of Dec. 20, 1862, the sum of \$62,500 per annum, for the years 1863 and 1864, was appropriated for the support of this Institution, and at the extra session of December, 1863, upon the representation of the Directors that this sum was inadequate, a further appropriation of \$150,000, for the year 1864, was made, making the total appropriations for 1863 and 1864 \$274,500.

The whole appropriation was drawn long before the end of the fiscal year 1864, and the alternative was left the Treasurer of honoring the drafts of the Directors, unauthorized by any appropriation, or allowing this beneficent Institution to be disbanded. The General Assembly having heretofore repeatedly legalized the drafts of the Directors of this Asylum in excess of appropriations, I continued to pay their drafts, amounting to \$75,000 above the appropriations. I respectfully ask that the payments, not authorized by the appropriations, may be legalized—and I earnestly urge, either that the Directors be authorized to draw at discretion, or some other remedy be devised by which the Treasurer be protected from the personal responsibility of making payments not authorized by law, or allowing the Institution to be disbanded for want of adequate support. The unsettled condition of the currency and prices makes it impossible to make estimates of the wants of the Institution, approximating accuracy.

This Institution is supported by direct appropriations from the Treasury, but the laws contemplate the reimbursement of the amount expended for charity patients, by the counties from which they are sent.

The act of 1868 appropriates not exceeding \$25,000 a year for the support of the Institution, and provides that "no county shall be required to pay more than at the rates of \$144 per annum for each individual insane person sent to the Asylum."

For the past two years the amount drawn by the Institution is as follows:

For 1868, appropriation, \$62,500

Amount over drawn for 1863, 7,500

For 1864 appropriation, 212,500

Amount over drawn, 75,000

Total expenses \$357,500

From this it will be seen that while the expenses of supporting this Institution for the year 1863 was increased nearly three fold and for the year 1864, more than eleven fold, this amount to be paid by the counties, has not been increased.

The amount actually reimbursed by the Counties in 1864 is \$18,819 47.

The act of 1868 provides that each paying patient shall not be charged less than at the rates of \$200 per annum. At what rate paying patients have been charged by the directors since the expenses have run up as above set forth, I do not know.

I recommend that the counties and paying patients be required to pay in the ratio of the increased expenses of the Institution.

The amounts due from the several counties on account of indigent patients, up to January 1st, 1864, as per the official certificate of Dr. Fisher, Superintendent of the Institution, have been paid, with the following exceptions, to-wit:

Wake,	\$2,277 94	Polk,	235 00
Washington,	1,086 00	Haywood,	93 00
Cumberland,	576 00	Paquotank,	1,570 66
Hyde,	92 58	Alleghany,	180 00
Franklin,	\$200 18	Wilkes,	930 00
Beaufort,	720 00	Buncombe,	144 00
Chowan,	732 00	Ashe,	70 60
Burke,	1,165 00	Union,	162 00
Craven,	1,171 00	Davidson,	361 00
Yancey,	730 66	Wilson,	634 00
Halifax,	144 00	Richmond,	229 00
Johnston,	1,849 00	Currituck,	120 00
Warren,	1,294 72	Carteret,	582 00
Stokes,	155 00	Northampton,	7 20
Tyrell,	973 00	Madison,	189 00
Martin,	827 60		

\$22,774 69

I issued notices, as required by the act of 1868, chapter 2, section 8, to the solicitors of the several circuits in which were counties in default as to the tax due on account of indigent parties as set forth in my annual report for the fiscal year ending the 30th of September, 1863. What action they took therein, or whether any, I do not know.

There is no act prescribing at what time the Superintendent of the Institution shall cause the notice to be served on the County Trustees, provided for in chapter 6, section 27 Revised Code; and chapter 2 section 4, act of 1868; nor is there any act prescribing to whom the sheriff shall return such notice, nor the time when the superintendent shall notify the public Treasurer of the amount due from each county. The prosecution provided for in chapter 6, section 29, Revised Code, could not be sustained without proof of the issue and service of such notice; and the public Treasurer has no other means of knowing the amount due from each county, excepting the certificate of the superintendent. Owing to these defects, the provision for prosecuting the Justices or Sheriff for failing to levy or collect this tax, is nugatory. As the county courts lay the taxes at the first court held on or after the 1st day of January in each year, I recommend that the superintendent be required to cause his notice to the County Trustees to be placed in the hands of the Sheriff at least ten days before the first day of January in each year, and that the Sheriff be required to serve the same before the first day of January following, and make returns thereof to the superintendent on or before the 1st day of March following; and that the superintendent be required to file his certificate of the amount due from each county, with the Public Treasurer within ten days from the first day of January in each year.

DEBTS DUE THE BANKS BY WAY OF TEMPORARY LOANS.

No change as to the debts due to the Banks, by way of temporary loans, has been made since my annual report of 1863, and I have nothing to add to the remarks contained in said report to which I respectfully call your attention.

STATE BONDS NOW DUE AND FALLING DUE IN 1865.

Registered bonds issued under Acts of 1848 and 1850, \$63,000

Coupon bonds issued under act of 1848, chap. 2, sec. 49, due July 1st 1864, 41,000

Coupon bonds issued under same act, due January 1st, 1865, 67,000

Coupon bonds issued under same act, due July 1st, 1865, 44,000

Due to individuals, (see report for 1864,) 8755 00

\$189,055

Many of the holders of these claims would accept State bonds falling due 1st January, 1865, in payment, and I recommend that authority be conferred on the Treasurer to pay them in this way.

THE SINKING FUND.

The commissioners of this fund well submit to you during your session, full report, and I therefore deem it necessary to make little comment in relation to this fund. If the State debt be not increased, this rapidly increasing fund gives the most reliable security to the holders of our State bonds and notes, that they will all be punctually paid. The corporation was organized on the 11th December 1857, and has been most ably managed to this date without any change in the commissioners. In this short period its stocks have run up to \$2,370,500, consisting of State bonds, with the exception of \$136,000 in Confederate 7 per cent. bonds, and is being rapidly increased by large Railroad dividends, and the accruing interests on its stock.

CONFEDERATE TREASURY NOTES.

The act of the last session of Congress authorized the States to exchange, during the present year, one half the Confederate non-interest bearing Treasury notes held prior to the time when they ceased to be fundable for new issue at par; and the other half, to take 6 per cent. bonds, under the 12th section of the currency act approved 12th February 1864; (which bonds would be liable to taxation in the hands of a purchaser from the State,) or in 4 per cent. untaxable bonds, and under the resolutions of the General Assembly in May last, the Public Treasurer was vested with plenary discretion to make the best disposition he could of the old currency, so held by the State. As the wants of the Treasury would compel me to sell the bonds I might receive, and it was uncertain whether either class of bonds which the State might receive, would sell for two-thirds of their face, I submitted the question to the Secretary of the Treasury whether the State could take one-half in new issue at par; and the other half in new issue at a discount of 33 1/3 per cent. He referred the question to the Attorney General who decided that if the State took one half in new issue at par, she must take the other half in bonds. The bonds were not ready to be issued, I then requested of the Secretary of the Treasury, if he deemed it consistent with law, that the depositary might be required to issue his certificate to the State for one-half the amount of such currency with leave to the Public Treasurer to take either the 4 or the 6 per cent bonds from time to time and in such proportions as he might think proper. He readily assented to this proposition, which will enable the Public Treasurer, when he has occasion to sell the bonds, to elect the class which, at the time, shall command the highest price in market, and to hold the certificate of the depositary in conformity with this arrangement.

The room in the capital occupied by the Public Treasurer, is not large enough for the convenient and proper dispatch of the extensive business of the department. I respectfully ask that a committee may be appointed to inquire and report whether there may be a re-assignment of the rooms of the capital, without inconvenience to any of the officers, by which the room, now occupied by the Comptroller, may be assigned to the Treasury.

BURKE SQUARE IN THE CITY OF RALEIGH.

By a resolution of the General Assembly, ratified 16th February, 1855, the Public Treasurer was directed to rent out this square for the balance of the year 1855, and on the 1st of January of each and every year thereafter, at not less than \$125 per annum, and requiring the rent to go into the Public Treasury.

By an act ratified 3d February, 1857, it is declared that this square had been granted by an act of 1851, to a Board of Trustees, for the purpose of erecting buildings thereon, and establishing a Seminary of learning; that said Trustees erected such building, and kept a school for a number of years, but had then become extinct, whereby the property had reverted to the State, and the Public Treasurer and Comptroller are appointed Commissioners "to succeed the Board of Trustees appointed by the act of 1851, and to let out the buildings on Burke Square for the purposes indicated in said act, at a reasonable and proper rate."

By a resolution of the General Assembly, ratified 20th February, 1861, the Public Treasurer is directed to pay Wm. Peace \$1,500 "for losses sustained by buildings on Burke Square."

This square and the buildings thereon have been occupied, since 1854, by J. M. Lovejoy, who has kept up a school thereon, and nothing has been paid into the Treasury, so far as I can find, excepting \$132 for the year of 1855. He has secured the rents for the years 1862 and 1864, at the rate of \$300 per annum. In the intermediate period between 1855 and 1863, he claims to have made improvements on the square, (under a verbal understanding with the Public Treasurer,) of greater value than a reasonable rent of the premises. I do not understand that the extent or value of the improvements, or of the rent, was agreed upon. I recommend that a committee be appointed to examine the property and report whether some better plan can be adopted for securing and protecting the interest of the State in said square.

REGISTRATION OF COUPON BONDS.

The act of 1856, in relation to the registration and transfer of coupon bonds, requires the Public Treasurer to endorse on such bonds that they are transferable only at this office by written endorsement on the bonds, witnessed by him. It sometimes happens that the Treasurer, from sickness, or other cause, is not in his office when such bonds are presented for registration, or transfer, and I recommend that the act be so amended, as to authorize the chief clerk of the Department, as well as the Treasurer, to make such endorsements and witness such transfers. All of which is respectfully submitted.

JONATHAN WORTH,

Public Treasurer.

006, Commissioners Messrs. Little, Dunn, Brodie, Norwood, Hogg, Apple, Worth, Downer and Wiley, and act to be of force from its passage. Referred to the Committee on Corporations.

A message was sent to the House stating the Senate's desire to proceed to the election of a Secretary of State, asking the concurrence of the Senate therein, and transmitting a list of the nominees, Messrs. Williams, of Nash; Husko, of Cumberland; Russ, of Wake; and Bain, of Wake.

The House refusing to go into this election and proposing an election for Superintendent of Common Schools, the Senate concurred therein.

Mr. Courts of Rockingham, nominated Rev. Calvin L. Wiley in some eulogistic remarks.

Mr. Ward of Duplin, said he must protest against the re-election of this man. He (the Speaker) had been a Superintendent of Common Schools in his county for a long time, and had failed to see anything in Mr. Wiley that called for his re-election. He had no originality and his system was most expensive. By bringing up the teachers to Educational Conventions which did no good, he put them to expense, and in the books he issued on the Educational Journal he published, he had failed to teach the children of North Carolina anything of the great duty to one's country. Against his politics he said nothing but he did oppose his election. Mr. Courts said of Mr. Wiley were not a true Southern man and did not inculcate Southern doctrine in his books he was not for him but he believed him true, capable, and honest—a truly honest man a rare thing now a days.

Mr. Ward did not hold Mr. Wiley responsible for his want of ability, but will that was the charge he brought against him. He was unfit for the position he held. Against his politics he would repeat, he said nothing, nor did he arraign his religion, though like Epaminondas, he believed the best religion was to fight for and defend our country, and it was time the children had books given them to teach that duty.

Mr. Courts was mollified to hear such reflections on Mr. Wiley, and reiterated his conviction of his worth.

Mr. Dick of Guilford, said since Mr. Wiley had been assailed he would state that in his opinion he was, for originality of conceptions and literary merit, one of the first men in the State. True he did not hold to some of the pestilent heresies now current, but in devotion to principle he was not surpassed, nor was there any so qualified for the position he held.

Mr. Ward disclaimed any imputation on Mr. Wiley's loyalty, and Mr. Ellis of Cumberland, declared his readiness to vote for Mr. Wiley with alacrity greater than that he would have for any other man.

The Senate then proceeded to an election—which resulted in Mr. Wiley's receiving 140 out 140 vote—and thereafter adjourned.

HOUSE OF COMMONS.

FRIDAY, Nov. 25th, 1864.

Mr. Smith, of Johnson, offered the following preamble and resolutions:

"Whereas, the Congress of the Confederate States have by law placed all citizens between the ages of 45 and 60 years in service as Senior Reserves, and have for the next sixty days authorized them to be ordered by the President for duty beyond the limits of the State, and

WHEREAS, in the opinion of this body it is for the interest of this State, as well as of the Confederate Government, that said Reserves shall constitute a portion of the troops of North Carolina; therefore

Resolved, That our Representatives be requested, and our Senators instructed, to urge upon Congress a repeal of said law to the end that said Reserves may be placed in the service of this State."

Referred to the Committee on Military Affairs.

Mr. Fowle of Wake, a resolution to strike out of the anti distillation law the words "chinese sugar cane seed." Laid over.

The bill to increase the salaries of the Superior and Supreme Court Judges, by allowing payment of their expenses, being before the House.

Mr. Morrissey of Robinson, moved to amend by limiting expenses to \$4000 per annum, which amendment was carried.

Mr. W. J. Headen of Chatham, in explanation of his vote, stated that he was opposed of principle to discrimination in favor of officials, but was friendly to a liberal compensation to all.

The bill was then passed, yeas 73, nays 36.

A message was received from the Senate expressive of that body's desire to go into the election of a Secretary of State, and requesting the concurrence of the House therein.

The bill to authorize the appointment of assistant county relief commissioners was then taken up and passed to a second reading, after the adoption of an amendment of "one third" instead of "twelve" magistrates, and the rejection of two other proposed amendments—limited the provisions of the bill to Rowan county, and declaring any person between 17 and 45 ineligible unless otherwise exempt.

On motion of Mr. Fowle, a message was sent to the Senate requesting concurrence in an election for Superintendent of Common Schools. Concurred in by that body, and Mr. Calvin H. Wiley, the present officer, re-elected.

Mr. Shepherd, of Cumberland, introduced bills to incorporate the "Fayetteville Enterprise Cotton Company" (Geo. Brandt & Co.), Capital Stock \$100,000; and the "Fayetteville North Carolina Iron Works" [W. M. L. McKay & Co.], Capital Stock, \$250,000; also a resolution for the relief of Ferris Busbee, authorizing him to purchase from the Quartermaster Department.

A message from the Governor, transmitting the report of the Principal of the Insane Asylum was received and ordered to be printed.